

11-2098

Mr. Dulles:

While you were in the Intelligence Board meeting yesterday, Congressman Harry Sheppard of California, who as you know is on the House Appropriations CIA Sub-Committee, called and wanted to speak to you. In your absence he spoke to me and asked if I would have someone call him and give him some details as to how the bidding and contracts were handled for our new building. In Gates Lloyd's absence at the time, I had [redacted] call and talk to Congressman Sheppard and give him the information he wanted. According to [redacted] Sheppard stated that he had been called by one of the contractors who had bid on our contracts. This contractor informed Sheppard that we had a number of alternates upon which bids were to be made, but that he, the contractor, believed that none of the alternates should be considered as they would constitute a waste of money. H.S. explained that we had cut down the size of our building about a year ago and that we had asked for bids on a basic building in order to be sure we got within the funds appropriated by Congress. He also explained that in addition we had asked for alternate bids on other items that we considered most desirable to have in the building should funds be available to incorporate them. After the conversation, H.S. stated that Sheppard expressed his complete satisfaction with our handling and demonstrated that he possessed a very good knowledge of bidding and contracting procedures and also of the cost fluctuations between a year ago and the present time. [redacted] gave him the names of the people in PES who will be the actual contracting officers for the Government in case he wished to speak to them.

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Sheppard closed the conversation merely asking that he be advised who was awarded the contract and the amount involved after the contract was awarded. He stressed that he did not wish to put any pressure on this one way or the other, and he did not desire this information for purposes of publishing it since he assumed that a public announcement would be made by the PES when the contract was finally awarded. [redacted] assured him that his assumption in this regard was entirely accurate and stated that we would have him advised who had received the contract when the decision was finally made.

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cc: Mr. [redacted]

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